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ANNUAL REPORT TO THE NATIONAL SECURITY COUNCIL

ON THE

STATUS OF THE FOREIGN INTELLIGENCE PROGRAM

(as of 30 June 1958)

Submitted by

Intelligence Advisory Committee

September 1958

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STATUS OF THE FOREIGN INTELLIGENCE PROGRAM

A. Organization, Integration and Coordination

A thorough review and revision of the National Security Council Intelligence Directives was completed. The responsibilities previously discharged by the Intelligence Advisory Committee (IAC) and the United States Communications Intelligence Board (USCIB) are now to be vested in a single United States Intelligence Board. Other specific actions were designed to promote integration, reduce duplication and improve coordination within the intelligence community. Special emphasis was also directed toward improving the quantity and quality of our intelligence in certain vital areas, including those considered particularly important by the President's Board of Consultants on Foreign Intelligence Activities.

B. Evaluation of U.S. Capabilities to Provide Warning of Attack

With respect to the "early warning" problem generally, we continue to face increasing difficulties in being able to provide prior

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intelligence warning of a Soviet attack on the U. S. and U.S. forces, as the USSR's growing strength in advanced weapons systems improves its capabilities for surprise attack. This problem will be compounded when the USSR achieves a substantial delivery capability with intermediate and long range ballistic missiles in position.

During the past year we made some progress in increasing our existing early warning capabilities. A new "General Indicators" list was developed. Specific action was taken to improve the means of transmitting critical intelligence to the highest authorities. Requirements were established for critical intelligence and a "Critic" system, using existing communication facilities, went into operation in July 1958 as the first step toward attaining more rapid transmission goals.

NSCID 7 was specially designed to cope with the over-all problem of getting critical intelligence to Washington within 10 minutes to one hour.

Further steps were also taken to implement development of a

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C. Evaluation and Estimates

The intelligence community again produced a large number of coordinated national intelligence estimates directed at various phases

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of Sino-Soviet Bloc or Free World activities of interest to policy-makers. The extensive production of basic intelligence on a worldwide basis continued. Substantial improvement also was made in the processes of producing and coordinating current intelligence related to the national security.

Sino-Soviet Bloc

With respect to political intelligence on the Soviet Bloc, we continue to benefit from the relatively more open atmosphere in the post-Stalin USSR and the greater accessibility of Soviet personalities at all levels. These developments provide us with a broader basis for inference as to the course of events and elements of change within the Bloc, though generally speaking we still lack the type of hard intelligence which would permit more confident prediction of specific events. Also, Soviet stress on ideological conformity throughout the Bloc and attacks on revisionism have tended to limit our opportunities to acquire intelligence on official attitudes and actions. As in the past, political intelligence on Communist China remains a major problem.

In the field of military intelligence, we obtained additional information on Soviet military research and development, especially in the guided missile field. Our military intelligence information on the Sino-Soviet Bloc continues to be adequate to support broad assessments of

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the current capabilities of the Armed Forces of those countries and to discern general trends in their development. Nevertheless, the available information in some critical fields is inadequate to furnish a solid intelligence basis for U.S. military plans, operations and research and development. Moreover, security measures and the rapidity of change in military technology continue to increase our difficulties in projecting Soviet military capabilities, particularly with respect to new weapons systems.

Our intelligence on economic developments within the Sino-Soviet Bloc continued to improve during the year, largely due to increased availability of data published by the Bloc and better methods of analysis. However, increasing experimentation with economic policies and institutions, especially in the Soviet Union and Poland, introduced new elements of uncertainty in our intelligence forecasting. We also have serious gaps in our information on questions such as the size, composition and costs of Soviet military programs.

We made important advances in almost every category of scientific intelligence on the Sino-Soviet Bloc. New information received, for example, provides a more valid basis for estimating the status of

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Soviet atomic energy activities. However, key gaps remain in our knowledge of matters such as Soviet fissionable materials production, the nuclear propulsion field and certain aspects of their weapons development. We acquired significant new information on nearly all aspects of the Soviet guided missile and space vehicle programs. Nevertheless, critical gaps still exist and the intelligence community is increasing its emphasis in this field, especially through the development of new technical collection techniques. We also improved our intelligence on Soviet biological and chemical warfare programs, and on their electronics capabilities.

Non-Bloc Areas

The comparatively large flow of political intelligence on Free World countries continued. Somewhat greater emphasis was placed on reporting trends in public opinion and their impact on the attitudes and policies of Free World governments. Intelligence on Soviet Bloc activities in Latin America is improving gradually but must be developed further, as must our knowledge of activities of the local military and of labor and student organizations. Our political intelligence on the Middle East continued to provide a satisfactory basis for the assessment of longer range trends and to serve as a framework for current

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reporting. However, the fluidity and complexity of local political developments, as well as the many external factors affecting the volatile Middle East situation, appear likely to place increasing demands for intelligence information and analyses on this area. In Africa, extension of our foreign service representation should enlarge the volume of the steadily increasing but not yet adequate flow of political and sociological intelligence. Political intelligence on non-Bloc countries in the Far East generally met requirements, although there were certain deficiencies such as in intelligence on rural areas which are becoming increasingly significant politically.

Reports of military information on Western Europe continued at a generally satisfactory level. Our basic data on non-Communist military forces in the Far East was also generally adequate to meet normal requirements. However, military intelligence coverage of the Middle East became increasingly difficult in some areas. Reporting of military information on Africa needs to be broadened, especially in the light of the rapid emergence of nationalist movements which are subject to exploitation by the USSR.

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D. Collection

We again revised our list of Priority National Intelligence Objectives, which continued to emphasize Sino-Soviet strategy, intentions and plans related to the initiation of hostilities. The highest priority was also assigned to Soviet capabilities for nuclear attack; defense against nuclear attack by aircraft or missiles; and capabilities, intentions and plans relating to the utilization and control of space. The new Critical Collection Problems Committee was established to facilitate closer coordination of the intelligence community on critical collection targets. As its first assignment, the CCPC examined our total collection effort on Soviet guided missile activities.

We took advantage of collection opportunities which arose (both in the overt and clandestine fields) as a result of our increased representation in certain areas, further relaxation of travel and other counterintelligence controls by the USSR and Satellites, intensified East-West exchange activities, greater availability of certain types of Bloc publications, [REDACTED]

25X1C [REDACTED] Significant gains also resulted from our improved technical collection techniques and the intensified efforts [REDACTED]

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Nevertheless, there are important deficiencies in our collection capabilities, particularly with respect to obtaining certain critical types of intelligence on the Sino-Soviet Bloc. We continue to be hampered by severe security restrictions in most Bloc areas; high-level penetrations of Bloc governments remain extremely difficult; and much urgently needed technical data on matters such as new weapons systems probably can be obtained only through further development of highly specialized collection techniques. Recurring crisis situations in different areas of the world will probably continue to place increasing demands for improvement in the quantity and quality of our political and economic intelligence. In addition, we need to develop new technical collection methods and expand our clandestine efforts to make significant progress toward closing many important gaps in our military and scientific and technical information. Moreover, in order to realize the maximum

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collection potential
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In brief, we can expect steadily to improve our

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intelligence in important areas; however, we cannot predict with confidence a significant reduction in many of our most critical intelligence deficiencies by an early date.

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